

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 22, 1995

SUBJECT: **SB 981 - HB 841**

This bill, if enacted, will provide for a sales tax exemption for packaging and processing of certain industrial machinery regardless of where the packaging or processing is performed. Current law provides for a sales tax exemption for industrial machinery. The bill also provides for a reduced rate of tax on electricity, gas and water currently subject to the full tax when used in the packaging process.

The fiscal impact from enactment of this bill is estimated to be a decrease in first year state and local government revenues from the exemption of packaging and processing of certain industrial machinery from the sales tax. A reasonable estimate of the decrease cannot be determined but is estimated to exceed \$300,000 to the state and \$100,000 to local governments.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is written in a cursive, flowing style.

SB 981 - HB 841

James A. Davenport, Executive Director